



PUBLIC NOTICE

Federal Communications Commission
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DA 05-179

Released: January 26, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF AMERICAN LONG LINES TO PAETEC CORPORATION

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-19

Comments Due: February 9, 2005

Reply Comments Due: February 16, 2005

On January 5, 2005, PAETEC Corp. (“PAETEC” or “Transferee”) and American Long Lines (“Long Lines”), (PAETEC and Long Lines, together, “Applicants”), filed an application pursuant to sections 63.03 and 63.04 of the Commission’s rules¹ requesting authority to transfer control of Long Lines to PAETEC (“the “Transaction”). As a result of the proposed Transaction, Long Lines will become a wholly owned subsidiary of PAETEC.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission’s rules³ because immediately following the transactions: (1) Applicants and their affiliates combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) to the extent that the Applicants or their affiliates provide U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to the proposed transaction; and (3) none of the Applicants or their affiliates is dominant with respect to any U.S. domestic telecommunications service.

¹ 47 C.F.R §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² Applicants have also filed for transfer of control related to international section 214 authority held by Long Lines, to provide facilitates based and resale carrier international services as part of this same transaction. Any action on this domestic section 214 application is without prejudice to Commission action on other related pending applications.

³ 47 CFR § 63.03(b)(2)(i).

PAETEC, a Delaware corporation, is the holding company of several subsidiaries, including PAETEC Communications, Inc. ("PCI"). PCI holds Section 214 authority from the Commission. PCI is a national communications solutions provider offering broadband services, including advanced voice and video, enhanced data and communications management services to medium-sized and large businesses, educational institutions, governmental organizations and other entities in several U.S. markets. The following U.S. entities have a 10 percent or greater equity ownership interest in PAETEC: Madison Dearborn Capital Partners III, L.P. and Blackstone CCC Capital Partners, L.P., which are both ultimately controlled by U.S. citizens. In addition, PAETEC is controlled by Arunas A. Chesonis, a U.S. citizen, by virtue of the super-voting rights associated with his 5.98 percent stock ownership in PAETEC. No other entity has a 10 percent or greater interest in PAETEC.

Long Lines, a Pennsylvania corporation, offers resold local and long distance telecommunications services in markets throughout the United States, primarily in the Northeast United States. Long Lines has one subsidiary, American Long Lines of Virginia, Inc., which is authorized to provide services in the State of Virginia.

All of the issued and outstanding equity of Long Lines is owned beneficially and of record by Douglas Derstine, ("Seller") a U.S. citizen. PAETEC and Mr. Derstine have entered into a stock purchase agreement whereby, pending regulatory approvals, Mr. Derstine will sell all of his shares in Long Lines to PAETEC. As a result, Long Lines will become a wholly owned subsidiary of PAETEC.

The Applicants assert that the proposed transaction serves the public interest by ensuring no interruption of service or inconvenience to the affected customers, which will receive the same local rates, terms or conditions under which Long Lines currently provides service. Because Long Lines will continue to provide service to its customers, the proposed Transaction will be seamless to customers of Long Lines. Moreover, approval of the proposed transfer of control will enable PAETEC to strengthen its competitive presence and to concentrate its resources and expertise on providing innovative and diversified service offerings to consumers.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before February 9, 2005, and reply comments on or before February 16, 2005.**⁴ Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.⁵ Comments may be filed using the

⁴ See 47 C.F.R. § 63.03(a).

Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: www.bcpweb.com; phone: 202-488-5300 fax: 202-488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Erin Boone, Competition Policy Division, Wireline Competition Bureau, 445 12th Street,

⁵ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

S.W., Room 5-C347, Washington, D.C. 20554; e-mail: erin.boone@fcc.gov;

(4) Terri Natoli, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C234, Washington, D.C. 20554; e-mail: terri.natoli@fcc.gov;

(5) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and

(6) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone: 202-488-5300, fax: 202-488-5563, or via e-mail www.bcpweb.com.

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Erin Boone at (202) 418-0064.

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